



Department of Defense DIRECTIVE

AD-A270 323



1993

July 23, 1988
NUMBER 1340.13

ASD(HA)

SUBJECT: Special Pay for Medical Corps Officers

References: (a) DoD Directive 1340.13, subject as above, September 27, 1982 (hereby canceled)
(b) Title 37, United States Code, Section 302
(c) DoD Military Pay and Allowances Entitlements Manual (current edition)
(d) Title 11, United States Code
(e) DoD Directive 5154.13, "DoD Military Pay and Allowances Committees," February 11, 1980
(f) DoD 7110.1-M, "Budget Guidance Manual," July 1985 authorized by DoD Instruction 7110.1, October 30, 1980

A. REISSUANCE AND PURPOSE

This Directive reissues and updates reference (a) and provides DoD policies governing the payment of special pay to medical corps officers.

B. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense (OSD) and the Military Departments.

C. DEFINITIONS

The terms used in this Directive are defined in enclosure 1.

D. POLICY

It is DoD policy to administer medical corps officer special pay authorities in a manner that will assist in attracting and retaining the number and the quality of physicians needed in the Military Departments.

E. PROCEDURES

1. Variable Special Pay

a. Medical corps officers who are undergoing internship training are entitled to variable special pay of \$1,200 per year.

b. Medical corps officers who are serving in pay grade O-7 or above are entitled to variable special pay of \$1,000 per year.

c. All other medical corps officers are entitled to variable special pay in the amounts shown in the following table:

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Variable Special Pay

| <u>Years Of Creditable Service</u> | <u>Annual Rate Of Variable Special Pay</u> |
|--|--|
| Less than 6 | 5,000 |
| 6 but less than 8 | 10,000 |
| 8 but less than 10 | 9,500 |
| 10 but less than 12 | 9,000 |
| 12 but less than 14 | 8,000 |
| 14 but less than 18 | 7,000 |
| 18 but less than 22 | 6,000 |
| 22 or more | 5,000 |

d. Authority for variable special pay is contained in 37 U.S.C. 302(a) (reference (b)). Payment shall be in accordance with procedures established in the DoD Military Pay and Allowances Entitlements Manual (reference (c)).

2. Additional Special Pay

a. A medical corps officer who is not undergoing internship or initial residency training is entitled to additional special pay in the amounts displayed in the following table:

Additional Special Pay

| <u>Years of Creditable Service</u> | <u>Annual Amount</u> |
|--|----------------------|
| Less than 10 | \$ 9,000 |
| 10 or more | 10,000 |

b. Authority for additional special pay is contained in 302(a)(4) and (c) of reference (b). To be eligible for additional special pay, the officer must execute a written agreement to remain on active duty for 1 year, beginning on the effective date of the agreement. Payment shall be in accordance with procedures established in reference (c). Subject to mutual acceptance, eligible officers may execute multi-year written agreements. Under such agreements, payments shall be made at the beginning of the agreement period and annually, thereafter. If an officer enters initial residency training or does not serve on active duty for the period of his or her agreement, unearned additional special pay shall be recouped on a pro rata basis, subject to subsection E.5., below.

c. The Secretary of the Military Department concerned, or designee, may terminate at any time an officer's entitlement to additional special pay. If such entitlement is terminated, unearned additional special pay shall be recouped on a pro rata basis, subject to subsection E.5., below.

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d. Twelve months prior to mandatory retirement, an officer's additional special pay agreement may be terminated, the unearned portion recouped on a pro rata basis, and a new 12-month agreement executed.

3. Board Certified Pay

a. Medical corps officers are entitled to board certified pay in the amounts shown in the following table:

Board Certified Pay

| <u>Years Of Creditable Service</u> | <u>Annual Payment For Board Certification</u> |
|--|---|
| Less than 10 | \$ 2,000 |
| 10 but less than 12 | 2,500 |
| 12 but less than 14 | 3,000 |
| 14 but less than 18 | 4,000 |
| 18 or more | 5,000 |

b. Authority for board certified pay is contained in 37 U.S.C. 302(a)(5) (reference (b)). Entitlement shall be subject to the definition of "board certified" in enclosure 1. Payment shall be in accordance with procedures established in the DoD Military Pay and Allowances Entitlements Manual (reference (c)).

4. Incentive Special Pay

a. The purpose of incentive special pay is to assist in alleviating the shortage of active duty medical corps officers.

b. A medical corps officer who is entitled to variable special pay under subparagraph E.1., above, may be paid incentive special pay if he or she is serving in pay grade O-6 or below, is not undergoing medical internship or initial residency training, and is:

(1) Fully qualified in a medical specialty designated as critically short by the Assistant Secretary of Defense (Health Affairs) (ASD(HA)), and practicing in that specialty; or

(2) In a specialty that does not qualify for incentive special pay under subparagraph E.4.b.(1), above, but who is in a position or category that the Secretary of the Military Department concerned, or designee, believes warrants award of incentive special pay based on retention need, unique duty requirements or hardships, and provides justification for such award to the ASD(HA) for approval.

c. The amount of incentive special pay paid to a medical corps officer may not exceed \$8,000 for any 12-month period, unless the officer is fully qualified and serving in a medical specialty designated as a critically needed wartime skill by the ASD(HA). The officer first must execute a written agree-

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ment under which he or she agrees to remain on active duty for a period of not less than 1 year. The effective date of the agreement shall be as prescribed in Military Department regulations issued by the Secretary concerned and shall be included in the agreement.

d. Selections of medical corps officers to be awarded incentive special pay shall be made under policy guidance formulated by the Secretaries of the Military Departments, or their designees, and approved by the ASD(HA).

e. Approval authority for payment of incentive special pay to individual eligible officers rests with the Secretary of the Military Department concerned, or designee. This authority shall not be delegated to an officer below the grade 0-7.

f. A medical specialty is considered to be designated critical if it is so identified by the ASD(HA). A medical specialty that has previously been awarded incentive special pay and is determined to be no longer eligible under the criteria in subparagraphs E.4.b.(1) and E.4.b(2), above, may be phased out of the incentive special pay program expediently, but shall not exceed a period of 3 years.

g. Incentive special pay is payable in a lump sum upon execution of the service agreement. The Secretary of the Military Department concerned, or designee, may terminate at any time an officer's entitlement to incentive special pay. If terminated, unearned incentive special pay shall be recouped on a pro rata basis, subject to subsection E.5., below. This includes termination for promotion to pay grade 0-7.

h. Statutory authority for incentive special pay is contained in 37 U.S.C. 302(b) (reference (b)).

5. Recoupment

a. A medical corps officer who dies or is separated from active duty while serving on an active duty agreement incurred under subsections E.2. or E.4., above, is entitled to the proportionate part of the period of active duty served under the agreement. Payment exceeding that proportionate entitlement shall be recouped, except in the following circumstances:

(1) Death or disability that is not the result of misconduct or willful neglect and not incurred during a period of unauthorized absence;

(2) Separation from military service by operation of laws or regulations of the Department of Defense or Service regulations, when approved by the Secretary of the Military Department concerned;

(3) In other cases, when ASD(HA) determines recoupment is not in the best interest of the Government.

b. A discharge in bankruptcy under 11 U.S.C. (reference (d)) shall not release a person from an obligation to reimburse the United States required under the terms of an agreement described in paragraphs E.2.b. and E.4.f., above, if the final decree of the discharge in bankruptcy was issued within a period of

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5 years after the last day of a period that such person had agreed to serve on active duty. This paragraph applies to any case commenced under reference (d) after September 30, 1985.

F. RESPONSIBILITIES

1. The Secretaries of the Military Departments shall:

- a. Submit proposed implementing instructions for review by the DoD Military Pay and Allowances Committee in accordance with DoD Directive 5154.13 (reference (e)).
- b. Include the costs of the program in budget estimates for military personnel appropriations under DoD 7110.1-M (reference (f)).
- c. Submit data for preparation of the reports required by Congress, as requested by the ASD(HA).
- d. Recommend changes or improvements in the program to the Secretary of Defense, through the ASD(HA).
- e. Provide their annual Incentive Special Pay Plan by May 15 of each year to the ASD(HA) for approval. The plan shall list the medical specialists or individuals that are recommended to receive incentive special pay for the forthcoming fiscal year. For each nominated specialty, the plan shall include the wartime requirement, the number authorized (excluding graduate medical education), the number of fully qualified physicians projected to be assigned in each specialty, and the amount each specialty or specialist is recommended to receive. If a physician or category of physician is recommended under subparagraph E.4.b(2), above, full justification supporting the recommendation shall be included in the plan.

2. The Assistant Secretary of Defense (Health Affairs) shall:

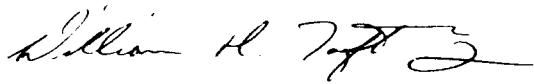
- a. Monitor and evaluate the effectiveness of the medical corps officer special pay program in regard to procurement and retention, and make appropriate recommendations to the Secretary of Defense and Secretaries of the Military Departments concerning changes or improvements to the program.
- b. Provide the Military Departments with an annual list of critically short specialties along with the designated amount of incentive special pay to be paid.
- c. Review and approve the Military Departments' annual Incentive Special Pay Plan.
- d. Prepare the reports pertaining to this program as required by the Congress.

G. INFORMATION REQUIREMENTS

The reporting requirements of this Directive have been assigned Report Control Symbol DD-HA(SA) 1562.

H. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy of implementing documents to the Assistant Secretary for Defense (Health Affairs) within 120 days.



William H. Taft, IV
Deputy Secretary of Defense

Enclosure - 1

1. Definitions

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DEFINITIONS

1. Board Certified. A medical corps officer is considered board certified through:

a. Certification by an American medical or osteopathic specialty examining board recognized by the American Board of Medical Specialties or the Advisory Board for Osteopathic Specialists; or

b. Board certification equivalency established for specialties unique to military medicine for which there is a formal postgraduate medical training program of not less than 2 academic years. Such equivalency is determined through a formal process, including recommendation of a credentials review board and issuance of a certificate of board certification equivalency to successful candidates.

2. Creditable Service. Includes periods of internship and residency while not on active duty, provided such training was completed successfully, or if such training was terminated or interrupted as the result of military operational requirements. Also includes all periods of active service in the medical corps of the Army or Navy, as an officer of the Air Force designated as a medical officer, or as a medical officer of the Public Health Service. Internship or residency in a foreign medical facility that is not acceptable under the credentialing criteria of an American medical or osteopathic specialty examining board may not be included in the computation of creditable service.

3. Critical Specialty. Has been designated as a critically short specialty by the ASD(HA) for payment of Incentive Special Pay.

4. Fully Qualified. A physician that has completed a residency training program and/or is board certified or board eligible in a medical specialty and, if involved with independent patient care, is credentialed to practice medicine in that specialty by a credentialing authority.

5. Initial Residency Training. That period of time in residency training before formal completion of an officer's first residency that qualifies the officer to take the specialty board, including (if a first residency) those programs designated under definition 1., above, which qualifies the officer for board certification equivalency.

6. Medical Corps Officer. An officer of the Medical Corps of the Army or the Navy, or an officer of the Air Force designated as a medical officer, who is on active duty under a call or order to active duty for a period of not less than 1 year.

7. Medical or Osteopathic Internship and Residency Training

a. Medical or Osteopathic Internship. The first year of graduate medical education, immediately following medical or osteopathic school whether a formal internship or the first year of a residency. For the purposes of variable special pay, this includes the period during which the active duty medical corps officer is waiting to begin internship training as well as the period in which such an officer is waiting separation because of failure to complete that training.

b. Medical or Osteopathic Residency. A formal program of medical or osteopathic specialty or subspecialty training.

8. Medical or Osteopathic Specialty. Any specialty for which there is an identifying specialty skill identifier number, a Naval officer Billet classification number, or an Air Force specialty code number.